

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2020-239-S - ORDER NO. 2021-265
APRIL 16, 2021

IN RE: Application of Condor Environmental,) ORDER GRANTING
Incorporated for Approval to Transfer Stock,) APPLICATION TO
and Motion for Expedited Consideration and) TRANSFER STOCK AND
Waiver of Notice) APPROVING
) PERFORMANCE BOND

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Condor Environmental, Inc. (“Condor” or “Utility”) for Approval to Transfer Stock, along with a Motion for Expedited Consideration and Waiver of Notice (“Application”). The transfer of stock is internal to the Utility and is intended to maintain Condor’s continuity of business operations and service. Condor seeks approval of the Application, *nunc pro tunc*, requests approval on an expedited basis, and the Utility requests waiver of notice requirements. In addition to the stock transfer, Condor requests approval of a new performance bond agreement signed by Brad Weaver in the amount of \$254,356. Brad Weaver has filed a Financial Statement to cover the new performance bond requirement.

II. PROCEDURAL HISTORY

The Application was filed with the Commission on October 5, 2020. Concurrent with filing of the Application, Condor requested confidential treatment of the financial

statement of the Utility's Vice President, Brad Weaver. This request was granted October 15, 2020, by Hearing Officer Directive Order No. 2020-100-H.

On October 16, 2020, the Office of Regulatory Staff ("ORS"), a party to this proceeding as per S.C. Code Ann. § 58-4-10(B), filed a review letter indicating no objection by ORS to the transfer of stock. Condor submitted a Certificate of Service on October 19, 2020, certifying that Condor's Application was served upon the parties, which included the individual County Administrators for Anderson, Greenville, and Spartanburg counties and the SC Department of Health and Environmental Control. At the Commission's Business Meeting of October 21, 2020, the Commission "carried over" making a determination on the stock transfer and instead allowed for a response time for the parties to respond to the Application provided to them on October 19, 2020. No responses, comments, or objections were received.

III. DESCRIPTION OF THE TRANSFER

Condor is a public utility, as defined in S.C. Code Ann. § 58-5-10(4) (2015), and is subject to the regulatory jurisdiction of the Commission. Condor provides wastewater service for compensation in South Carolina to customers located in Anderson, Greenville, and Spartanburg counties.

Condor seeks approval to transfer the stock of its sole shareholder, Samuel Weaver, to Jason Weaver and Brad Weaver, the sons of Samuel Weaver. Jason and Brad Weaver are senior managers of the Utility; Jason serving as President, and Brad serving as Vice President. According to Condor, the transfer of stock is to preserve the continuity of business operations and service. Condor asserts that the transfer of stock is reasonably

necessary, appropriate for, and consistent with Condor’s service to the public and will not impair its ability to perform such service. Condor’s rates will not change as a result of the stock transfer, and the transfer is an internal shareholder transaction with no effect on service.

IV. LAW

S.C. Code Ann. Regs. 103-504 (2012) sets forth that “No existing public utility supplying wastewater disposal to the public . . . shall hereafter sell, acquire, transfer, begin the construction or operation of any utility system . . . by the sale of stock or otherwise, without first obtaining from the commission a certificate that the sale, transfer, or acquisition is in the public interest” Additionally, “Such certificate shall be granted only after the applicable information set forth in Subarticle 2, 103-510 *et seq.*, has been filed with the commission and provided to the ORS, and after notice has been given to the Department of Health and Environmental Control . . . and to the public . . .”

S.C. Code Ann. Regs. 103-512.3.1 (2012) describes the calculation of the appropriate amount of a bond for a sewer utility, based on certain verified expenses for the preceding twelve-month period. S.C. Code Ann. Regs. 103-512.3.1 (2012) also describes the role of the Office of Regulatory Staff in making recommendations for the appropriate amount of the bond.

V. DISCUSSION

The proposed stock transfer is clearly an internal transfer, designed to maintain Condor’s continuity of business operations and service. Condor’s customers will not be adversely affected, and no rate increase will occur as the result of the stock transfer. The

Company notes that the proposed stock transfer is reasonably necessary, appropriate for, and consistent with the proper performance of Condor's service to the public and will not impair Condor's ability to perform that service. We agree.

The new performance bond amount of \$254,356 appears to be a reasonable amount for a new bond and appears to be appropriately backed by the financial statement of Brad Weaver. The previous financial statement of Samuel Weaver supported a bond of \$100,000. The new bond appears to be reasonably calculated and in compliance with the Commission's Regulation.

The Office of Regulatory Staff does not object to the stock transfer, the motion for expedited consideration, and waiver of notice. The Office of Regulatory Staff affirmatively supports the approval of the updated performance bond requirement, and states that the previously filed financial statement of Brad Weaver supports the bond.

VI. FINDINGS OF FACT

1. Condor is a public utility subject to the jurisdiction of the Commission. Condor provides wastewater service in South Carolina to customers in Anderson, Greenville, and Spartanburg counties.

2. Condor seeks approval to transfer the stock of its sole shareholder, Samuel Weaver, to Jason Weaver and Brad Weaver, the sons of Samuel Weaver. Jason and Brad Weaver are senior managers of the Utility.

3. The stock transfer is an internal transfer designed to maintain Condor's continuity of business operations and service.

4. Condor's customers will not be adversely affected by the stock transfer.

5. No rate increase will occur as the result of the stock transfer.
6. Expedited review and waiver of notice are appropriate.
7. The new performance bond agreement of \$254,356 is reasonable, and the financial statement of Brad Weaver supports the agreement.
8. The Office of Regulatory Staff does not object to the stock transfer, the motion for expedited consideration, and waiver of notice.
9. The Office of Regulatory Staff supports approval of the new bond agreement of \$254,356 and believes that the previously filed financial statement of Brad Weaver supports the Agreement.

VII. CONCLUSIONS OF LAW

1. Expedited review of the matter is appropriate.
2. The Company has notified DHEC, and the Counties in which the Utility serves, and the Parties of the stock transfer.
3. The stock transfer should be approved. The Office of Regulatory Staff does not object to it, nor has any other opposition been filed.
4. The stock transfer as described is consistent with S.C. Code Ann. Regs. 103-504 (2012).
5. The new Bond Agreement of \$254,356 is reasonable and in compliance with the bond regulations found in S.C. Code Ann. Regs. 103-512.3.1 (2012).
6. The new Bond Agreement is recommended by the Office of Regulatory Staff and is appropriately backed by a financial statement.

VIII. ORDERING PROVISIONS

IT IS THEREFORE ORDERED THAT:

1. The Application of Condor Environmental, Inc. for Approval to Transfer Stock is approved *nunc pro tunc*.
2. The updated Performance Bond in the amount of \$254,356 is approved.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Justin T. Williams, Chairman
Public Service Commission of
South Carolina